



## Wyoming Lender Alert

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### Making a Difference for Small Business in Wyoming

#### Veteran Small Business Champion of the Year

##### Wyoming Contractors Association

Wyoming Contractors Association (WCA) was approached by employers in the Oil and Gas Industry who requested they put together a training program for



workers interested in the industry. In January of 2005, they received a grant to train veterans that ran until the end of June 2006. They trained and placed 128 veterans at an average starting wage of \$20.62 per hour. WCA received an additional grant that started in July of 2006 to train more veterans and was one of the few grants that were funded again and it was due to their previous success. Since July of 2006, they have trained and placed 58 veterans with small and large employers in the Oil and Gas Industry. To do this veteran training WCA was able to get the support of the Oil and Gas Industry who contributed over 1.5 million dollars in equipment so the training could be provided. Initially the

training was designed for the States of Wyoming, Colorado, Utah, Montana, North Dakota and South Dakota, at this time veterans from 44 states have been trained. This type of Regional Training under the Federal grant system was the first of its kind in the nation.

In addition to the Oil and Gas training, WCA provides training to the construction industry in welding, pipefitting and electrical and expects to broaden the available training to other occupations in the construction industry. WCA has trained 370 veterans since March of 2005.

Nominator David McNulty, Director, Veterans Employment and Training Service says "I believe WCA is very deserving of this award for the following reasons:

1. They have worked directly with large and small employers in the Oil and Gas and Construction Industries to fill their staffing needs;
2. They have taken special interest and made extraordinary efforts to provide this training to veterans;
3. They have made extra efforts to assist disabled veterans, combat veterans, recently separated veterans and veterans with severe barriers to employment;
4. Their efforts have contributed to the success of small and large employers in this six state region and beyond.

5. They have provided the opportunity to hundreds of veterans to earn \$50,000 - \$60,000 a year to support their families."

The Small Business Award presentation was held at the Casper Chamber's Annual Dinner at the Parkway Plaza in Casper on May 7, 2007.

#### Small Banks Profit From Relationship Lending

Market valuations of smaller publicly held banks are higher than they would otherwise be due to their investment in relationship lending, according to a study issued by the Office of Advocacy of the U.S. Small Business Administration. The study examined the link between market valuation and small business lending for 817 publicly held bank organizations during the period 1994 through 2005.

The study showed that for smaller banks it was worth the time and effort to invest in relationship lending. "The market values the added profit that comes from personally knowing small business customers and being able to offer them loans and services not obtainable from other banking organizations."

Many times small firms have little or no collateral and younger firms do not have a credit history on which to base banking decisions. These firms may be excluded from "transactional"

financing decisions that require credit scoring and other analysis of hard data used to evaluate the credit worthiness of the business and its owner.

On the other hand, “relationship” lending relies on the formation of bank-firm relations, and requires an investment by the bank in costly information acquisition and processing as well as the monitoring of firm activities. Such investments result in somewhat higher fees and interest rates for the small business customer to offset the cost of these banking activities.

Written by Dr. Joe Peek with funding from the Office of Advocacy, *The Value to Banks of Small Business Lending* concludes, “small business lending is a profitable market niche for small publicly traded banking organizations. The evidence is consistent with these banks having a comparative advantage in originating and monitoring small business loans compared to larger banking organizations.”

### **Get On Board with the SBAExpress and E-Tran Program**

Are you looking to add to your competitive edge in assisting small businesses as a community banker? Are you interested in a program that includes a government loan guarantee for small businesses done with predominantly *your own forms* and a turnaround of less than a day?

SBA has two tools that you may wish to consider – the SBAExpress loan program and E-tran. These tools may be just what you need to respond to your small business customer needs in today’s competitive lending environment.

The SBAExpress program provides an opportunity for you to obtain a fifty percent guaranty on a small business loan using mostly your own forms with an expedited approval process. Our commitment

is *one* business day approval upon receipt of a complete and eligible loan request. However, we can do even better than one day.

To be more responsive to lender and small business needs the SBA launched E-Tran as a Web based loan application interface for lenders.

E-Tran is designed for use with commercial loan software applications. It provides a virtually seamless interface for the submission and electronic approval of your loan application to SBA. Approval of loan applications meeting eligibility and processing criteria can be a matter of *minutes*. (Yes, minutes.)

Three channels for accessing E-Tran to process SBAExpress loans are through:

- A Web page where lenders can enter loan information for single loans;
- A secure Web site capable of accepting multiple applications simultaneously via an XML (Extensible Markup Language) file transfer;
- Software intermediaries that have E-Tran loan submission functionality built into their loan application programs.

E-Tran is presently being offered only to SBAExpress lenders. Information and criteria for participation in the SBAExpress and E-Tran can be found on the SBA Web site at [www.sba.gov/banking](http://www.sba.gov/banking).

Review the Program Guide (pages 4 and 5) for the information on SBAExpress and submit a request letter to:

Mike Davis, Sacramento Loan Processing Center, 501 I St., Suite 12-100, Sacramento, CA 95814-2322. Mike’s phone number is (916) 930-2460.

Information on E-Tran can be found under the E-Tran link on the Web site.

### **Looking for Deserving Small Business Person**

This is a great opportunity to nominate a Wyoming person or small business for one of many awards made available by the U.S. Small Business Administration (SBA). For over 40 years, once a year, nominations are taken that conclude during Small Business Week award ceremonies held in Washington, D.C.

There are various categories to choose from, the Small Business Person, Exporter, Young Entrepreneur (not having reached the age of 30 by June, 2008), Family-Owned Business (passed from generation to generation for over 15 years) and subcontractors. Also, there are small business champions that assist and share their business experiences such as Accountants, Journalists, Veterans, Minorities, Women and Home-Based businesses. It is also permissible to suggest a new category that fits into the above description, but not listed.

There must be someone you work with or is a friend that should be recognized for their special talents or the giving of their time and effort to promote small business. Take time to nominate that person for well deserved recognition. You may even nominate yourself for a special award pertaining to the above categories.

For more information, or to request a nomination packet, please contact the SBA office by calling Sharon Nichols at (307) 261-6508 or email [sharon.nichols@sba.gov](mailto:sharon.nichols@sba.gov). Check out past winners on our website at [www.sba.gov/wy](http://www.sba.gov/wy) and go to News.

### **Improved Guaranty Purchase Process**

As part of the Administrator’s customer outreach program, the National Guaranty Purchase Center (NGPC) has realigned the

guaranty purchase process. The realignment provides more streamlined processing for lenders who submit complete and orderly purchase packages.

To assist SBA lending partners in preparing complete and orderly purchase packages, the NGPC has developed the following:

**a.** NGPC's Web site: [www.sba.gov/aboutsba/sbaprograms/ending/ngpc/index.html](http://www.sba.gov/aboutsba/sbaprograms/ending/ngpc/index.html) has an extensive section dedicated to the guaranty purchase process.

**b.** A narrated 128 slide PowerPoint tutorial which thoroughly explains how to develop a complete purchase package is offered in the guaranty purchase section of the Web site under "View presentation." [www.sba.gov/aboutsba/sbaprograms/ending/ngpc/training/index.html](http://www.sba.gov/aboutsba/sbaprograms/ending/ngpc/training/index.html).

**c.** Revised tab pages (tabs) which require execution. The new tabs, along with a current Checklist (also available on the Web site), provide guidance on developing a complete and orderly purchase package according to the unique requirements set forth in the loan authorization for each guaranteed loan.

Lenders will be required to execute the revised tab page in any purchase request package received by the NGPC after August 1, 2007. This requirement is being instituted to expedite the guaranty funding process.

The NGPC held Ready Talk training conference calls with SBA field offices and lenders in May and June 2007 to further explain the improvements made in the guaranty purchase process and the assistance available to lenders on the NGPC Web site. In addition, a notification is sent to the appropriate district office each time a purchase request package is returned to the lender. There is also a recorded training session

available on the NGPC Web site that details the use of the New Tabs.

District office staff and the NGPC are also available to provide training to lenders either in person or through Ready Talk sessions. Please contact your local district office or the NGPC at (703) 487-9374 if you have questions about the required documentation or to request training.

### **Innovative Online Training Course**

The U.S. Small Business Administration and Trump University have teamed together to develop a new free online training course on *How To Start a Business on a Shoestring Budget*, designed to help entrepreneurs understand how to take their small business ideas to market despite limited outside resources.

The SBA and Trump University have combined the best that each organization offers, bringing together a vast array of resources, information and experts to guide students through the essentials of planning and executing a business idea by bootstrapping, a common method used to minimize the amount of outside debt and equity financing needed from banks and investors.

*How to Start a Business on a Shoestring Budget* is a self-paced course available through the SBA's Small Business Training Network, a virtual campus of business courses, trainings, education resources, learning tools and information assistance at [www.sba.gov](http://www.sba.gov) under the "Training" icon. It is a creative training experience and interactive assessment tool that features fictional entrepreneurs who are engaged in raising money for their small businesses, while the student entrepreneur provides advice on

how to help evaluate readiness for starting a business. An added highlight is the availability of "Ask the experts" video clips, which are strategically featured throughout the course.

The course helps to evaluate eight key areas of business start-up on a shoe-string, including what it takes to make something out of nothing, market research for the budget minded, budget branding and what to do when you outgrow your bootstraps.

The SBA's Small Business Training Network at [www.sba.gov/services/training/index.html](http://www.sba.gov/services/training/index.html) offers a range of online business training and counseling tools to assist entrepreneurs with business start-up, from developing marketing strategies to effective employee management. It also provides valuable information for existing small business owners. The training network is an easy-to-use tool that provides 24-hour access to business courses via the Internet.

### **UPCOMING EVENTS**

**Sept 4** – Women's Roundtable, Newcastle

**Sept 5** - Women's Roundtable, Casper

**Sept 13** - Women's Roundtable, Laramie

**Sept 14-15** – Women's Business Expo, Casper

**Sept 18** – Women's Roundtable, Cody

**Sept 20** - Women's Roundtable, Powell

### **CHECK OUT SBA'S WEBSITE FOR WYOMING**

[www.sba.gov/wy](http://www.sba.gov/wy)